

Indemnity Agreement

This agreement is made on _____, 20____, in the City of _____, County of _____, State of _____.

The parties to the agreement are _____, of _____, City of _____, County of _____, State of _____, hereinafter called "indemnitor," and _____, of _____, City of _____, County of _____, State of _____, hereinafter called "indemnitee."

Since indemnitee is a subsidiary of indemnitor and is an employer subject to the provisions of N.J.S.A. 34:15-1 et seq. and, as such, has applied to the Commissioner of Banking and Insurance of New Jersey for exemption from insuring payment of workers' compensation liability in conformity with the provisions of said statues and an assumption by indemnitor of the self-insurance obligations of indemnitee is essential to secure payment thereof pursuant to the provisions of N.J.A.C. 11:2-33, in consideration of the granting of exemption from insuring liability by the Commissioner of the Banking and Insurance of New Jersey to indemnitee,

It is hereby agreed:

In the event (indemnitee) shall not pay or cause to be paid directly to claimants the benefits due or that may become due under N.J.S.A. 34:15-1 et seq., then (indemnitor) covenants and agrees that it will pay to all such claimants the benefits due, with the expressed knowledge and understanding that the execution and acceptance of this agreement is for the benefit of unknown and unnamed claimants of (indemnitee) and (indemnitor) does hereby recognize this agreement as a direct financial guarantee to said claimants.

PROVIDED HOWEVER, (indemnitor) shall have a right to cancel and terminate this agreement at any time upon giving the New Jersey Department of Banking and Insurance at least thirty (30) days written notice of its desire to do so; provided such cancellation shall not affect its liability as to any benefits payable for claims occurring prior to the date of cancellation specified in such notice.

This agreement shall be effective as of _____, 20_____.

Signed and sealed this _____ day of _____, 20_____.

ON BEHALF OF INDEMNITOR

BY: _____

(signature and title)

ATTEST:

(signature and title)

ON BEHALF OF INDEMNITEE

BY: _____

(signature and title)

ATTEST:

(signature and title)

CERTIFICATE OF RESOLUTION OF THE
BOARD OF DIRECTORS OF _____

Whereas the _____ and _____ {title of corporate officers} of this corporation propose to execute a general indemnity agreement in favor of _____, a subsidiary, by which this corporation agrees and undertakes to guarantee the payment of any sum of money for compensation, including disability benefits, which may be or become legally due from said subsidiary under the provisions of N.J.S.A. 34:15-1 et seq., and that this resolution will not be amended or abrogated without prior notice to the Commissioner of Banking and Insurance, State of New Jersey; and such agreement having been fully considered and approved by the directors present at this meeting;

Now, therefore, be it resolved that the _____ and _____ {titles of officers} are hereby expressly authorized to execute the general indemnity agreement in favor of _____ {subsidiary} by unanimous vote of the directors of this corporation.

I hereby certify that I am the _____ {secretary} of _____ {corporation}, and that the above resolution is a true and accurate copy of a resolution unanimously adopted by the board of directors at a meeting duly called and held on _____, 20 _____, in the office of the corporation, at which a quorum of the directors was present.

Dated _____, 20 _____

Signature and Title

{Corporate Seal}